

Grain Belt Express Economic Impact Brief

The Grain Belt Express, an electrical transmission line project to deliver wind power to numerous Midwestern states, is expected to have a positive impact to Missouri's economy and workforce beginning in 2018. The project includes a 3-year construction period along with an operations phase which will continue benefits to the state in the years that follow.

During the 3-year construction phase there is expected to be over \$600 million in direct spending in Missouri to build the 205 miles of transmission line and for manufacturing and service contracts that cover work in four states. Over the three years this spending is estimated to have the following effects on Missouri's economy:

CONSTRUCTION PHASE OVER YEARS 2018-2021

1,527 Jobs supported over 3 years

\$246 M in New Personal Income

\$476 M in New Gross Domestic Product

After construction the transmission line will be operational and provide on-going benefits to the state in terms of landowner easement payments in 2021 of nearly \$15 million and \$1.23 million in the years that follow. In addition to landowner payments, \$5 million in new operations and maintenance spending is expected on an annual basis. This spending in Missouri is estimated to have the following annual impact to the state's economy:

OPERATIONS PHASE IN YEAR 2021

91 Jobs supported in this year

\$17.9 M in New Personal Income

\$9.1 M in New Gross Domestic Product

OPERATIONS PHASE IN YEAR 2022 AND AFTER

28 Jobs supported each year

\$2.6 M in New Personal Income

\$4.2 M in New Gross Domestic Product

Notes

The Missouri impact estimates for the construction and operations phases represent preliminary analysis of figures provided by Clean Line, the company building a roughly 700-mile high voltage line to connect Kansas wind turbines to energy users in Missouri, Illinois, and Indiana. 205 miles of that line is expected to cross Missouri. The impacts represent the total statewide effect over the construction phase (Years 2018-2020), the operations impact expected in year 2021 from one-time easement payments, and annual impacts from year 2022 onward assuming on-going structure payments, operations and maintenance. Impact figures are in millions of 2016 constant dollars.

The construction phase analysis assumes \$354 million in Missouri transmission line construction spending and \$249 million in Missouri-specific manufacturing and professional services contracts for the four-state project (Kansas, Missouri, Illinois, and Indiana). Any Missouri contract spending that was already accounted for by state transmission line construction purchases was removed to avoid double-counting. Spending is expected to begin in 2018 and continue into 2020.

The operations phase analysis is divided into two periods due to up-front landowner payments that would only impact the first year of operations. After that year the annual landowner payments and transmission line operation/maintenance spending beginning in 2022 will create on-going positive impacts in the years that follow.

In the first year of operations (2021), it is assumed that landowners will receive \$14.97 million in easement payments that will increase personal income levels and spending. Easement payments are based on company-provided information to include a 150 ft. wide right-of-way, 4 lattice structures per mile, and land value of \$4,000 per acre. An increase of \$5 million for line operations/maintenance is expected to begin this year.

In subsequent years of operations, from year 2022 onward, landowner payments of \$1.23 million for transmission line structures and on-going operation/maintenance spending of \$5 million for those facilities is expected. This assumes all landowners choose annual payments however the option to take an up-front, one-time payment is available and would alter this impact estimate depending on those circumstances. Payments are expected to increase by two percent a year, roughly in line with long-term inflation estimates.